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Registry No. 253-01 ✓

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

WASHABLE SERVICE APPAREL
INDUSTRY

AS SUBMITTED ON AUGUST 30, 1933



The Code for the Washable Service Apparel Industry in its present form merely reflects the proposal of the above-mentioned industry, and *none of the provisions contained therein are to be regarded as having received the approval of the National Recovery Administration as applying to this industry*

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

SUBMITTED BY

ASSOCIATED MANUFACTURERS OF WASHABLE SERVICE APPAREL

(II)

CODE OF FAIR COMPETITION FOR THE "WASHABLE SERVICE APPAREL INDUSTRY"

To effectuate the policy of Title I of the National Industrial Recovery Act during the period of emergency, by reducing unemployment, improving the standards of labor, and by eliminating unfair practices in the industry inimical to the interests of the public and of the industry as a whole, the following provisions are established as a Code of Fair Competition for the washable service apparel industry.

ARTICLE I—DEFINITIONS

The term "washable service apparel industry" shall include the manufacture of all washable service apparel made principally of cotton fabrics, including coats, trousers, waitress', nurses', and maids' service garments, aprons, service caps, and other kindred service garments used in hotels, hospitals, institutions, and industrial enterprises.

"The term "employers" shall mean all persons who employ labor directly or through contractors, in the conduct of any branch or manufacturing process of the washable service apparel industry as defined above.

The term "employees" shall mean all persons employed in the conduct of any branch of the washable service apparel industry as defined above.

The term "privileged employees" shall be those partially incapacitated by age, injury, or infirmity.

The term "person" shall mean any individual, partnership, association, trust, estate, or corporation.

The term "effective date" shall mean the second Monday following the approval of this Code by the President.

The term "association" shall mean The Associated Manufacturers of Washable Service Apparel.

ARTICLE II—HOURS OF LABOR

On and after the effective date, no employee shall work more than forty (40) hours per week, except that during peak seasons, employees may be required to work not more than forty-four hours of work per week, with the limitations however, that the average hours of work per week by any individual employee, shall not exceed the maximum of forty (40) hours per week when figured over a period of fifty-two (52) weeks.

The maximum hour provisions shall not apply to executives, supervisory staff, salesmen, shipping room clerks, cleaners (porters), maintenance and outside crews.

ARTICLE III—HOURS OF OPERATION

On and after the effective date, no employer shall operate any machinery for more than eighty (80) hours in any one week.

ARTICLE IV—MINIMUM WAGE

On and after the effective date, the wages that shall be paid by any employer to any employee employed in the industry, whether based upon productive effort or efficiency or hourly rates, shall not be less than Twelve (\$12) Dollars per week, for forty (40) hours of labor (30¢ per hour), excepting apprentices, during a period limited to eight weeks, who shall be paid not less than the prevailing factory schedules during the apprenticeship period.

On and after the effective date, present piece or hourly rates above the minimum herein set, shall be increased at least in the same proportion as the decrease of working hours shall bear to the standard hours of work, in effect during the week preceding the 1st day of August 1933.

The employment of apprentices by any employer shall be limited at all times to five percent (5%) of the capacity number of all productive labor employees.

Privileged employees, namely, those partially incapacitated by age, injury, or infirmity, shall be excepted from the minimum wage provisions of this code; provided, however, that said employees shall be paid no less than other employees in the same factory proportionally to the amount or character of the work they do; and provided, further, that the employment of such employees in any factory shall be limited to those employed in said factory on August 1st, 1933, or to 5% of the maximum number of employees.

ARTICLE V—EMPLOYMENT OF MINORS

On and after the effective date, employers shall not engage any minor under the age of sixteen years.

ARTICLE VI—PRISON AND INSTITUTIONAL LABOR

On and after the effective date, no person engaged in the industry shall manufacture or cause to be manufactured, or acquire, sell, or distribute any garment produced in any penal, correctional, reformatory, or other similar institution, and no person engaged in the industry shall purchase any textiles, raw materials, or other supplies from any penal, correctional, reformatory, or other similar institution.

ARTICLE VII—LABOR CLAUSE

Employers shall comply with the requirements of The National Industrial Recovery Act, as follows:

1. That employees shall have the right to organize and bargain collectively, through representatives of their own choosing and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or

any self-organization or any other concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

2. That no employee and anyone seeking employment, shall be required, as a condition of employment, to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

3. That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved, or prescribed by the President.

Without in any way attempting to qualify or modify by interpretation the following requirements of the national recovery act, employers in this industry may exercise their right to select, retain, or advance employees on the basis of individual merit, without regard to their membership or nonmembership in any organization.

ARTICLE VIII—STANDARDS OF FAIR COMPETITION

1. *Prices.*—Products manufactured by this industry shall only be sold at price or prices as will realize to the manufacturer a fair average cost of production and sale, plus a fair and reasonable margin of profit, allowance being made for increased costs in quotation of prices to the consumer buying in more limited quantities as contrasted with the purchases by linen supply companies.

It is recommended that the Governing Board study and recommend the adoption by the industry of a uniform system of costs to be used where reference is made herein to cost figures.

2. *Terms and credits.*—Credit terms extended, shall not be greater than 2%, 10 days, net 30, or where the condition now exists, 2%, 10 days E.O.M., net on the 20th, irrespective of quantity purchased, distribution, or extension of delivery dates, or any other factor of advantage or disadvantage in any offered order.

Credit shall not be extended by a manufacturer to any customer or prospective customer whose account with any manufacturer in this industry, as to new transactions, is delinquent for more than sixty days. It is contemplated that a central credit information bureau for the exchange of credit information be established.

The Governing Board shall have the power after a hearing to make exceptions to these provisions both in the matter of terms and credits for certain classes of trade where justification therefor exists; and each manufacturer shall have the right, as he sees fit, to deal with his respective debtors as to the liquidation of accounts past due on the effective date.

3. *Rebates or allowances.*—The secret payment or allowance of rebates, refunds, commissions, or unearned discounts, whether in the form of money or otherwise, or—secretly extending to certain purchasers—special sources or privileges not extended to all purchasers, under like terms and conditions, with the intent and with the effect of injuring competitors, and where the effect may be to substantially lessen competition or tend to create a monopoly or to unreasonably restrain trade, is unfair trade practice.

4. *Forward contracts.*—Future contracts can be taken only where the delivery period does not exceed four months from the date of such contracts. There shall be no post dating or false dating of contracts or invoices.

5. Outside Factors.—Manufacturers whose basic lines are foreign to this industry, but who from time to time manufacture and/or market some of the products of this industry, should be required to comply with the maximum working hours, minimum wages, and other provisions of the Code to which this industry is subject, to the end that unfair competitive practices in the marketing of such products may be eliminated.

ARTICLE IX—ADMINISTRATION

1. Governing Board.—(a) The administration of this Code shall be carried out by a Governing Board of eleven members, made up as follows: The President, Secretary, and Treasurer of the Associated Manufacturers of Washable Service Apparel; three members of the association to be selected by the association from its eastern membership; four members to be selected by the association from its membership as follows: one member from Missouri, one member from Illinois, one member from the Mountain Section, and one member from the West Coast; one member shall be designated by the Administrator of the National Industrial Recovery Act.

At least two of the members of this Board shall be directly interested in the consuming trade other than the linen supply trade.

(b) *Powers.*—Said Governing Board shall have the following powers:

1. To administer the provisions of this Code and to adopt rules and regulations for the enforcement thereof.

2. To entertain and hear complaints against any member of the Association or any person engaged in the industry, concerning any alleged violation of this Code and where such complaint cannot be disposed of by the Board, to cause such complaint to be referred to the appropriate governmental agencies, having jurisdiction in the matter.

3. To initiate proceedings before the proper governmental agencies, for the violation of the Code.

4. The Board shall have the power to make such investigations of the business of any person in the industry, as they may see fit, to the end that full compliance with the letter and spirit of this Code is obtained.

5. To consider and to submit to the President, amendments of the Code.

6. To establish rules and regulations for the industry, covering such additional fair practices, as the Board may deem fit and proper.

7. To require reports from any person in the industry, as to costs, transactions, delinquent accounts, sales and any other matter pertaining to the full compliance by the industry with the provisions of this Code.

8. To cause the bylaws of the Association to be so formulated as to conform to and carry out the purposes and intent of this Code.

9. The Board shall set up two separate committees, with advisory powers as follows:

a. A Committee to deal with the problems and adjust the differences of the manufacturers who cater to the linen supply trade, the large wholesalers, and the large industrial plants.

b. A Committee to deal with the problems and adjust the differences of the manufacturers who cater to the smaller consumer.

ARTICLE X—MEMBERSHIPS AND MONOPOLIES

The Association shall not impose any unequitable restrictions on admission to membership therein, and shall truly represent the industry.

This Code is not designed to promote and will not promote monopoly or monopolistic practices, nor is it designed to eliminate or oppress small enterprises, and it will not operate to discriminate against them.

ARTICLE XI—MODIFICATION

1. This code and all its provisions thereof are expressly made subject to the right of the President, in accordance with the provision of Clause (10) (b) of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation, issued under said title, and specifically to the right of the President to cancel or modify his approval of this code or any conditions imposed by him upon his approval thereof.

2. Such of the provisions of this code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated. It is contemplated that from time to time supplementary provisions to this code or additional codes may be submitted in behalf of the Industry or subdivisions thereof for the approval of the President.

ARTICLE XII—CERTIFICATION

I, JOSEPH MASLAN, Temporary Secretary of the Associated Manufacturers of Washable Service Apparel, do hereby certify that the foregoing is a true copy of the Code of Fair Competition presented to and approved by the meeting of the members of the said association, duly called and held at the Hotel New Yorker, at New York City, on July 28th, 1933, and the City of Chicago on the 18th day of August 1933.

Dated, New York, August 23d, 1933.

[SEAL.]

JOSEPH MASLAN,
Temporary Secretary.

Counsel:

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